

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
1	28	The Department of Corrections should expand its monitoring process for privately operated facilities to ensure that complete and accurate documentation is maintained to support all activity in inmate bank accounts, Administrative Regulations are properly enforced, and appropriate internal controls are in place to ensure accurate processing of inmate account activity.	Agree	6/30/2005
2	29	The Department of Corrections should review its policies and procedures for inventory counts at year-end and modify as deemed necessary to ensure accurate inventory counts are completed.	Agree	6/30/2005
3	32	The Department of Education should strengthen controls over personnel processes by (a) enforcing its existing policy or revising the policy to ensure that all initial hires are properly approved and documented and that salary adjustment forms include all necessary approvals, and (b) establishing policies and procedures over hiring of family members to ensure that situations of nepotism and perceptions of conflicts of interest are avoided.	Agree	5/2005
4	34	The Department of Education should strengthen its controls over personnel and payroll activities by (a) establishing procedures that require supervisors to sign and approve employee timesheets to indicate that the timesheets are accurate and that leave taken has been properly documented, (b) limiting the Human Resources Director's access to the State's central Human Resources system (EMPL) so that adequate segregation of duties is achieved or developing compensating controls which may include signature approval of the payroll turnaround report or other documentation, and (c) educating Unit Directors regarding the information contained in the monthly budget to actual reports so that the review of the reports can be used as a control over payroll costs.	Agree	5/2005
5	38	The Department of Health Care Policy and Financing should ensure that it routinely reconciles accounts receivable on COFRS to subsidiary ledgers and makes necessary adjustments in a timely manner.	Agree	6/30/2005
6	44	The Department of Human Services should improve controls over the patient revenue reconciliation process at the Fort Logan Mental Health Institute by (a) performing revenue reconciliations that are complete, timely, and adequately reviewed; and (b) ensuring staff members are adequately qualified, trained, and supervised, and seek higher-level assistance when problems are identified.	Agree	a. 1/2005 b. 12/2004

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7	46	The Department of Human Services should ensure capital asset expenditures are appropriately recorded on COFRS by (a) reviewing expenditures related to the CBMS system that were incurred prior to Fiscal Year 2003 to determine those costs that should have been capitalized as an asset rather than expensed on COFRS and making necessary adjustments; and (b) instituting a process for reviewing expenditures for all future capital asset projects, including information systems, and recording appropriate amounts for capitalization on a timely basis.	Agree	7/2005
8	48	The Department of Human Services should implement procedures to ensure a physical inventory is conducted at least annually of all leased microcomputers.	Agree	6/2005
9	51	The Department of Human Services should improve controls over its purchasing card program by (a) instituting and enforcing a formalized policy requiring approving authorities to address all problems identified in their areas through the Division of Procurement's purchasing card reviews, (b) establishing a system for tracking actions taken by approving authorities to address problems identified through the Division of Procurement's purchasing card reviews, (c) providing periodic training as determined necessary in problem areas identified through the Division of Procurement's purchasing card reviews, and (d) considering the use of a graduated point system with defined consequences for cardholder violations.	Agree	a. 7/1/2005 b. 4/2006 c. 10/1/2005 d. 6/30/2006
10	56	The Office of the Child's Representative should ensure that all contracts are signed by all parties to the contract.	Agree	10/1/2004
11	59	The Department of Labor and Employment should implement procedures for a more thorough review of estimates at year-end by (a) comparing the current year major estimates exhibits to the prior year and investigating significant fluctuations, (b) reviewing previous year's post closing entries to determine if there are changes which affect current year calculations, (c) discussing any changes in methodology of the calculation with the statistician or individual responsible for the calculation on each estimate to determine if the change is reasonable, (d) assigning review responsibilities for estimates to individuals knowledgeable of facts and assumptions for the estimate and review of year-end adjustments to ensure that ending account balances are correct, and (e) reviewing of significant capital construction activity to ensure year-end accruals are recorded and that estimates are made for invoices not yet received.	Agree	a. 6/30/2005 b. 6/30/2005 c. 6/30/2005 d. Implemented e. Implemented

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12	61	The Department of Labor and Employment should ensure amounts recorded as refunds due to employers for overpayment of unemployment insurance tax are accurate and complete, and ensure that the <i>genesis</i> system will generate reports listing the detail on refunds owed to individual employers for unemployment insurance tax refunds.	Agree	12/2005
13	63	The Department of Labor and Employment should consult with the State Controller's Office or others on a timely basis to ensure proper recording of transactions prior to year-end close, and ensure future direct purchases or constructed capital assets are properly capitalized according to the Fiscal Procedures Manual.	Agree	Implemented
14	68	The Department of Natural Resources should continue working to improve controls over capital assets and ensure assets are recorded accurately on the State's accounting system by (a) specifying what type of documentation is required before an asset will be removed from the Department's capital asset database and communicating this requirement to staff, (b) enforcing its policies requiring the timely reporting of missing items as well as investigating potential theft or embezzlement in accordance with the Department's internal policy and State of Colorado Fiscal Rules if sufficient documentation regarding the disposal of the asset is not presented in a timely manner, and (c) implementing independent review procedures over the reconciliation process.	Agree	a. 6/30/2005 b. 6/30/2005 c. 12/31/2004
15	70	The State Board of Land Commissioners should continue to improve its surface lease procedures by billing hold-over tenants while the renewal is under consideration.	Agree	2/2005
16	77	The State Controller's Office should ensure compliance with statutory requirements for transfers of General Fund surplus to the Highway Users Tax Fund and the Capital Construction Fund by (a) complying with the statutory date for making these transfers or developing options for the timing of these transfers and working with the General Assembly to revise the statutory transfer date, and (b) seeking legal guidance from the Attorney General's Office regarding the correct manner for calculating the Fiscal Year 2003 reserve and in the future in cases where statutes have conflicting requirements that affect the amounts of these transfers.	Partially Agree	9/2005

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17	79	The Department of Personnel and Administration should ensure that the Technology Management Unit improve its controls over COFRS access by (a) requiring Financial System Team (FST) management to provide end dates enabling the automated process to suspend contractors access, and (b) implementing a process to ensure FST management reviews access privileges in a timely manner when employee and contractor assignments change.	Agree	2/2005
18	89	The Department of Regulatory Agencies should record revenue in accordance with generally accepted accounting principles.	Agree	6/30/2005
19	94	The Department of Revenue should timely bill taxpayers identified as owing taxes to the State.	Agree	3/2005
20	97	The Department of Revenue's Information Technology Division should improve its password usage policy to prevent unauthorized access to the Department's network and confidential information by (a) instructing and assisting employees on setting up password protection on their computers, (b) training employees on the importance of password protection and securing their computers, and (c) clarifying the password usage policy.	Agree	3/2005
21	102	The Department of Revenue should improve controls over processing severance tax returns by (a) following up with taxpayers who do not submit required supporting documents with returns; (b) entering all critical data from returns and supporting documents into the internal tax system; (c) implementing additional math edits to match information from supporting documents to that reported on returns and to recalculate the tax liability owed, as well as penalties and interest due; (d) establishing more rigorous review procedures for returns that exceed the Department's internal threshold for refund requests; and (e) seeking statutory change to allow enforcement of the withholding requirement in cases where the producer fails to withhold and submit the statutorily required 1 percent of gross income from interest owners on a quarterly basis.	Agree	a. 10/2005 b. 6/2006 c. 6/2006 d. 5/2005 e. 6/2005
22	105	The Department of Revenue should improve controls over severance tax quarterly withholding and annual reconciliations by (a) identifying all producers who file quarterly withholding returns but fail to file annual reconciliations and taking appropriate action, including assessing penalties and interest; and (b) reviewing annual reconciliations to ensure that supporting documentation is submitted and agrees to the reconciliation and following up as appropriate.	Agree	a. 6/2005 b. 6/2006

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23	108	The Department of Revenue should investigate more effective ways to collect oil and gas severance taxes owed to the State.	Agree	6/2005
24	117	The Department of Transportation should implement adequate controls over year-end reconciliation by (a) establishing a realistic schedule for the completion of reconciliations of significant balance sheet accounts in the operating fund and all accounts in the debt service fund and at the government-wide level on a monthly basis, (b) assigning staff to perform the reconciliations, and (c) designating a supervisor to monitor compliance with the schedule, review all reconciliations, and sign off on the reconciliations to evidence review.	Agree	6/30/2005
25	118	The Department of Transportation should determine the value of assets abandoned, sold, and relinquished in Fiscal Year 2004 and make the appropriate entries on the general ledger, and ensure disposals of roads and rights of way approved by the Transportation Commission are communicated to accounting staff on a timely basis.	Agree	6/30/2005
26	120	The Department of Transportation should develop a system to estimate the annual amount required to maintain and preserve state bridges, tunnels, and roadways at the condition level established and disclosed by the Department.	Agree	6/30/2005
27	125	The Department of Health Care Policy and Financing should improve oversight of Medicaid eligibility systems to ensure that benefits are paid only to individuals eligible for the Medicaid programs by (a) performing random testing of eligibility information determinations, (b) coordinating periodic peer reviews of eligibility determinations with the Department of Human Services, and (c) completing existing reviews to the standards expected by the Centers for Medicare and Medicaid Services and in a timelier manner.	Agree	7/2005
28	126	The Department of Health Care Policy and Financing should ensure that adequate documentation is maintained to support the methodology on which Child Placement Agency payments to Mental Health Assessment and Services Agencies under the Medicaid program are based.	Agree	12/1/2004

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29	128	The Department of Health Care Policy and Financing should improve controls over provider eligibility by continuing to monitor the fiscal agent's review of all provider files. Reviews should ensure each file includes a current provider agreement and that provider licenses are consistent with the dates of services for which claims payments are made.	Agree	7/1/2005
30	132	The Department of Health Care Policy and Financing should ensure that it is fulfilling its responsibilities as a pass-through entity for the Medicaid program and that Single Entry Point (SEP) agencies are properly monitored by (a) conducting on-site certification reviews of all SEP agencies on an annual basis and following up on compliance issues identified in a timely manner; (b) issuing annual awards letters informing SEP agencies of federal awards received during the year and ensuring the letters contain all required information; (c) requiring all SEP agencies to undergo an OMB Circular A-133 audit within nine months of fiscal year end as required by federal regulations, following up on SEP agencies not in compliance with the requirement, and taking corrective action as necessary; (d) issuing management decisions on a timely basis regarding Medicaid program questioned costs identified in SEP agency OMB Circular A-133 audits, and taking corrective action as necessary; (e) conducting reviews of SEP annual unexpended Medicaid funds reports and taking steps to recover any unexpected amounts; (f) requiring all SEP agencies to submit monthly statements of expenditures and consistently reviewing these statements for propriety; (g) performing a client satisfaction survey as outlined in the State Rules on an annual basis; and (h) completing on-site Financial Compliance Reviews on all SEP agencies on a more frequent, revolving basis, and investigating and requesting repayment of identified disallowed amounts in a timely manner within the statute of limitations period.	Agree	5/31/2005
31	136	The Department of Health Care Policy and Financing should ensure full compliance with the Medicaid Drug Rebate Program requirements by (a) implementing a method for identifying the state-only portion of its prescription drug usage and excluding that portion from the federal Medicaid drug rebate calculations; (b) working with the Centers for Medicare and Medicaid Services (CMS) to determine whether some portion of drug rebates received by the Department are due back to participating Medicaid drug manufacturers and, as necessary, repaying any overpayments; and (c) requesting advance approval from CMS for future rate changes related to its Medicaid Drug Rebate Program to ensure rebates are being properly invoiced to manufacturers, collected by the State and reported to CMS.	a. Agree b. Partially Agree c. Agree	a. 10/31/2005 b. 10/31/2005 c. 2/1/2005
32	139	The Department of Health Care Policy and Financing should require that the fiscal agent obtain a SAS 70 Type 2 audit of the Medicaid Management Information System at the Denver site.	Agree	Implemented

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33	146	The Department of Health Care Policy and Financing should improve efforts to ensure that outlier claims are appropriate and accurate by (a) working with the utilization management contractor to review all outlier claims for Drug Related Groupings (DRGs) “without complications” for Fiscal Year 2004 and all prior years for which records are available, and the Department should process incorrect DRG assignments for recovery and track recoveries to determine the financial impact of miscoding; (b) expanding future review assignments to include reviews of DRGs without complications; (c) reviewing the methodology for setting the trim point on DRGs and adjusting trim points and DRG weights as needed to reduce or eliminate potential financial incentives for providers to report inaccurate diagnosis or surgical procedure information on their claims, leading to the assignment of incorrect DRGs.	Agree	7/1/2006
34	150	The Department of Health Care Policy and Financing should improve the accuracy of claims payments by (a) reinstating its quality control process for Medicaid claims using the Claims Processing Assessment System, (b) periodically reviewing a sample of fee-for-service claims suspended from payment by the Medicaid Management Information System (MMIS) due to Health Maintenance Organizations enrollment, which are then paid as fee-for-service claims by the fiscal agent; and (c) using these processes to identify and implement any necessary changes to MMIS, along with any process improvements and clarifications for manual reviews by the fiscal agent.	Agree	1/2005
35	153	The Department of Health Care Policy and Financing should expand efforts to reduce the number and amount of newborn claims that are inappropriately paid for as fee-for-service by (a) collecting data to determine where lags in the newborn enrollment process occur, whether certain counties experience more problems in this area than others, and what additional processes could be implemented to reduce inappropriate fee-for-service claims for newborns; (b) as part of its next payment correction process, evaluating the extent to which the Colorado Benefits Management System reduces the newborn portion of incorrect fee-for-service payments for Health Maintenance Organizations enrollees; and (c) after implementing the provisions of HB 04-1058, evaluating the success of the designated sites in increasing newborn enrollment in Medicaid and considering the possibility of pursuing statutory change to expand its ability to designate other providers.	Agree	7/2005
36	157	The Department of Health Care Policy and Financing should improve the timeliness of payment recoveries by conducting the Health Maintenance Organization payment correction process twice per year.	Agree	1/2005

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37	161	The Department of Health Care Policy and Financing should take steps to reduce the amount of paid claims for clients after death by (a) using the claim-specific data provided through this audit to identify and recover any payments made for services provided after date of death, (b) periodically conducting a data match of eligibility files and paid claims with date of death data from the Colorado Department of Public Health and Environment and/or the Social Security Administration to identify and pursue recovery of any claims paid for service dates after date of death, and (c) updating client eligibility files as indicated on the basis of parts (a) and (b) of this recommendation.	Agree	3/2005
38	164	The Department of Health Care Policy and Financing should work with the fiscal agent to ensure that its quality control process for rate changes includes a review of all rate change parameters that are input into the Medicaid Management Information System, including the effective dates of rate changes.	Agree	12/2004
39	171	The Department of Health Care Policy and Financing should improve its oversight of prescription claims' payments of non covered and restricted, covered drugs to ensure payments are accurate and allowable by (a) requiring the fiscal agent to compare drug rebate product files and Drug Efficacy Study Implementation (DESI) drug lists from the Centers for Medicare and Medicaid Services with data from First Data Bank on at least a monthly basis to ensure the most accurate data are used to determine allowable payments; (b) developing and reviewing monthly claims paid reports to ensure the fiscal agent is not processing drug claims that are not eligible for Medicaid reimbursement; and (c) identifying and recovering from the fiscal agent all monies incorrectly paid for drug claims for DESI drugs, drugs with no federal rebate agreement, and any other payments which are not allowed under federal or state Medicaid statutes, rules, or plans.	Partially Agree	7/2005
40	175	The Department of Health Care Policy and Financing should ensure the accuracy of fiscal agent drug pricing by strengthening its audits of the prescription drug program to include pricing components and larger sample sizes, increasing the frequency of analytic reviews, using cost-effective, available software applications, and establishing and enforcing standard recovery procedures from the fiscal agent for payments made due to pricing errors.	Agree	4/2005

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41	178	The Department of Health Care Policy and Financing should maximize drug rebate collections through the Drug Rebate Program by (a) improving the drug rebate accounting system to increase the collection rate and expedite recovery of rebate program revenue; (b) tracking rebate amounts invoiced, disputed, and collected to establish benchmarks and evaluate trends; (c) evaluating staffing/workload and assigning staff resources to compute interest on unpaid balances, properly track pricing and rebate per unit changes, research disputed rebates, and resolve all outstanding disputes with manufacturers in a timely manner; (d) investigating and implementing system edits which will prevent payment of claims that could lead to rebate disputes; and (e) using the dispute resolution services of the Centers for Medicare and Medicaid Services, when appropriate.	Agree	3/2005
42	181	The Department of Health Care Policy and Financing should improve its oversight of pharmacy record keeping to ensure adequate controls for detecting and deterring fraudulent billing practices.	Agree	12/2004
43	186	The Department of Health Care Policy and Financing should improve the effectiveness of the prior authorization program and ensure that Medicaid payments are appropriate for restricted, covered drugs by; (a) developing and enforcing fiscal agent contract performance standards for drug prior authorization program administration to minimize the risk of proper authorizing non covered drugs; (b) increasing the frequency of analytical review and conducting independent audits of the fiscal agent's accuracy and consistency in following prior authorization guidelines and procedures; (c) increasing oversight of fiscal agent training to ensure proper interpretation and implementation of federal and state statutes, policies, procedures, and clinical prior authorization criteria; and (d) hiring or contracting with a licensed physician to oversee drug and other utilization control programs.	Agree	4/2005
44	190	The Department of Health Care Policy and Financing should strengthen its controls over pharmacy overrides by (a) enforcing existing policies by conducting regular audits of prescription drug claim overrides, (b) expanding analytical review of paid prescription drug claims to include routine analysis and trending of pharmacy override codes to detect patterns of misuse or abuse, (c) conducting provider education and outreach to reinforce the Department's policies and procedures concerning overrides and other utilization controls, (d) establishing additional internal controls to limit quantities dispensed and developing clinical guidelines to prevent pharmacy overrides for drugs that are clinically inappropriate or subject to abuse, and (e) establishing controls to prevent fraudulent billing practices for the "brand cheaper than generic" override and expanding post payment pharmacy audit criteria to include the identification of overpayments resulting from "brand cheaper than generic" overrides.	Agree	11/2005

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45	192	The Department of Health Care Policy and Financing should implement a preferred drug list, and where appropriate, adopt the best practices of other states, partner with other states to reduce administrative burden, and produce fiscal impact analyses and share findings with the public.	Disagree	N/A
46	195	The Department of Health Care Policy and Financing should improve its oversight and management of fiscal agency activities related to the Medicaid prescription drug program by implementing a strategic plan, including timelines for completion, for the following (a) conducting internal analytical reviews and audits, (b) reviewing the adequacy of the fiscal agent's processes and procedures for quality control, (c) identifying and recovering from the fiscal agent incorrect or improper overpayments, and (d) developing and disseminating useful reports.	Agree	7/2005
47	200	The University of Colorado should review the federal regulations surrounding the Return of Title IV Funds and related compliance requirements.	Agree	9/2004
48	204	The University of Colorado should implement procedures to ensure that all elements of the Fiscal Operations Report and Application to Participate, Student Unit Record Data System, and Exhibit K reports are accurate.	Partially Agree	9/2005
49	206	The University of Colorado should strengthen procedures to ensure that the maximum annual limits of subsidized Federal Direct Student Loans are offered to all students through additional monitoring of the original parameters set during the award determination process, or if system limitations restrict the University from establishing award levels that are compliant with federal guidelines, waivers should be obtained from the applicable awarding agency.	Agree	2/2005
50	207	The University of Colorado should strengthen procedures to provide timely supervisory reviews of the calculation of Federal Direct Student Loan draws prior to their submittal.	Disagree	N/A
51	210	Colorado State University should establish procedures to ensure that data elements calculated as a result of professional judgement are correct.	Agree	5/2005
52	211	Colorado State University should reinforce procedures and provide additional training to ensure that the Technology Charge Awards (TCA) process is properly adjusted when costs of attendance are adjusted during the second day of the TCA process.	Agree	8/2004

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53	211	Colorado State University should reinforce existing procedures and provide additional training as necessary to ensure that manually awarded loans are disbursed in equal installments.	Agree	1/2005
54	212	Colorado State University should implement procedures to ensure that all elements of the Fiscal Operations Report and Application to Participate report are accurate.	Agree	9/2005
55	213	Colorado State University should include a standard clause in all purchase orders, maintain a suspended and debarred file, and document the review of the Excluded Parties List System for all vendors related to federal grants, or require certifications for all agreements related to federal grants.	Agree	12/2004
56	215	Colorado State University - Pueblo should establish procedures to ensure that the midpoint of the semester is properly calculated and that requests for Federal Family Education Loan funds and disbursements of these funds are made according to the proper calculated midpoint.	Agree	2/28/2005
57	216	Colorado State University - Pueblo should implement procedures whereby there is segregation of duties calculating the drawdowns, making the drawdowns, and reviewing the drawdowns.	Agree	10/15/2004
58	217	Colorado State University - Pueblo should implement monitoring procedures over the verification process.	Agree	2/28/2005
59	219	Colorado State University - Pueblo should implement procedures to ensure that all elements of the Fiscal Operations Report and Application to Participate report are accurate.	Agree	9/2005
60	223	Colorado Community College System should ensure that Front Range Community College develops and implements a plan to improve internal control and compliance over student financial aid.	Agree	6/2005
61	225	Colorado Community College System should require Arapahoe Community College to establish procedures to ensure that declined awards are returned to the federal government in a timely manner.	Agree	2/2005

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62	226	Colorado Community College System should ensure that Front Range Community College and Trinidad State Junior College establish procedures to ensure that Return of Title IV calculations are processed correctly with accurate charges and period-end dates.	Agree	6/2005
63	227	Colorado Community College System should ensure that Trinidad State Junior College establishes procedures to ensure that the withdrawal date of students who withdraw without providing notification is determined within 30 days after the end of the term and the resulting return is made no later than 30 days after the date of this determination.	Agree	6/2005
64	228	Colorado Community College System should ensure that Community College of Denver establishes procedures to ensure that the institution's portion of a student's unearned Title IV funds are returned within 30 days after the College has determined a student has withdrawn.	Agree	6/2005
65	229	Colorado Community College System should ensure that Pikes Peak Community College establishes procedures to ensure that breaks are calculated properly on the Return of Title IV Funds calculations.	Agree	6/2005
66	230	Colorado Community College System should ensure that Front Range Community College (FRCC) establishes procedures to ensure that return calculations are made and that students are requested to repay grant overpayments, and FRCC should also repay the federal government as necessary.	Agree	6/2005
67	231	Colorado Community College System should ensure that Front Range Community College (FRCC) establishes procedures to properly verify student financial aid application information, and if necessary, FRCC should repay the federal government.	Agree	6/2005
68	232	Colorado Community College System should ensure that Pikes Peak Community College implements procedures so that the appropriate supervisor reviews cash drawdowns and entries.	Agree	6/2005
69	233	Adams State College should improve its federal funds draw procedures by identifying and correcting financial aid data errors timely and improving the authorization process so that the federal funds drawn are adequate to meet the cash flow demands for related expenses.	Agree	6/30/2005

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70	235	Colorado Student Loan Program should continue to ensure the adequate controls are in place over default aversion fee ensuring that data input and similar errors are detected and corrected on a timely basis	Partially Agree	5/2004
71	241	The Department of Human Services should improve controls over the Food Distribution Program by (a) establishing procedures for performing monthly inventory reconciliations, including a standard format that includes, at a minimum, the previous month's ending inventory, the number of units received, the number of units shipped, the current month's ending inventory, identified discrepancies and adjustments, and comments; (b) ensuring that concerns communicated by the distributors are addressed and that commodities are allocated timely; (c) holding distributors liable for noncompliance with contractual obligations and federal regulations and immediate steps should be taken to recover the \$29,532 worth of donated foods that were destroyed; and (d) placing distributors on corrective action for cited deficiencies, enforcing the corrective action plans, and documenting the results of the corrective action plans.	Agree	a. 3/1/2005 b. 9/2004 c. 4/1/2005 d. 5/1/2005
72	244	The Department of Human Services should strengthen its review process over purchases for the Temporary Assistance for Needy Families program to ensure expenditures are correctly coded and allowable under federal grant requirements.	Agree	4/1/2005
73	246	The Department of Human Services should improve controls over sanctions for the Temporary Assistance for Needy Families (TANF) program by (a) formally incorporating reviews of sanctions as part of the current on-site county monitoring process and following up on problems as appropriate, and (b) reviewing monthly TANF sanction reports and identifying and investigating discrepancies.	Agree	a. 6/1/2005 b. 7/1/2005
74	250	The Department of Human Services should improve cash management controls by (a) ensuring federal funds are drawn in a timely manner for all federal programs, (b) identifying the reason for past duplicate federal reimbursement requests and ensuring duplicate draw requests are not made in the future, and (c) seeking clarification from the federal government regarding its responsibility for meeting the Cash Management Improvement Act requirements for the Food Stamps program.	Agree	a. 4/2005 b. 2/2004 c. 7/2004

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75	253	The Department of Human Services should improve its administration of the Supportive Housing and Homeless Program (SHHP) by (a) discontinuing its current policy to allow local service providers to sublease rental units to SHHP clients; if the Department decides to continue the policy, it should require that all leases and subleases executed by service providers be submitted to the Department, and the Department should review them for compliance to federal regulations; and (b) taking immediate steps to recover the \$11,175 in housing assistance overpayments made to the service provider.	Agree	5/1/2006
76	256	The Department of Human Services should improve controls over travel expenditures to ensure they are appropriate and allowable under state and federal regulations, and take steps to immediately recover overpayments made by the Vocational Rehabilitation Program and repay the portion owed to the federal government.	Agree	6/2005
77	258	The Department of Human Services should comply with state and federal regulations for the Vocational Rehabilitation Program by competitively bidding for services from a single provider that exceed \$50,000 annually.	Agree	10/2005
78	261	The Department of Human Services should improve controls over the preparation of the Exhibit K at the State Veterans Nursing Home at Fitzsimons by (a) ensuring staff preparing the exhibit are adequately trained, (b) instituting a secondary review process over the Exhibit K to ensure its accuracy prior to submission, and (c) ensuring that information used to prepare the Exhibit K is accurate.	Agree	a. 6/30/2005 b. 6/30/2005 c. 1/31/2005
79	266	The Department of Human Services and the Department of Health Care Policy and Financing should work together to pilot a system for reorganizing the Older Americans and Older Coloradans' programs.	Agree	1/2007
80	267	The Department of Human Services should increase access and improve the application and eligibility determination process for Older Americans Act services by (a) working with the Area Agencies to develop a single, standardized assessment and eligibility determination form and process that eliminates the need for clients to apply with multiple service providers; (b) translating program information, including applications and assessment forms, into appropriate languages for those regions where at least five percent of the population primarily speaks a language other than English; and (c) providing training to Area Agency and service provider staff on the application and eligibility determination processes.	Agree	4/2005

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81	269	The Department of Human Services should work with the Area Agencies to improve access to services and decrease inappropriate service denials by (a) increasing service provider oversight and service planning, and targeting services to those individuals with the greatest social and economic need; (b) working with the Area Agencies to issue specific guidance for improving access to transportation services for rural participants; and (c) providing training to Area Agencies and service providers on voluntary contributions.	Agree	3/2005
82	271	The Department of Human Services should work with the Area Agencies and service providers to develop standard policies for establishing and tracking waiting lists in an organized manner to ensure that individuals are not forgotten or overlooked when services become available.	Agree	9/2004
83	273	The Department of Human Services and its nutritionist should work to develop a statewide policy on the use of nutrition supplements.	Agree	3/2005
84	277	The Department of Human Services should improve overall accountability and functionality of the Social Asset Management System (SAMS) database by (a) reviewing SAMS system components to determine whether additional coding mechanisms could be implemented to better track services provided by funding source (including Parts B through E of Title III funds); (b) incorporating fiscal components, such as billing functions, into the SAMS system to enable Area Agencies to pay providers for units of service; (c) performing scheduled reviews and comparisons of service data reported in SAMS to identify outliers or inconsistencies, and following up with Area Agencies and service providers to determine possible causes; (d) including specific requirements for reviewing and reconciling service provider documentation to SAMS data during Area Agency annual on-site reviews; (e) incorporating automated system edits that eliminate inaccurate data entry and issuing specific guidance to Area Agencies and service providers to improve consistency of data entry of SAMS information; and (f) conducting surveys of Area Agencies and service providers to determine what types of reporting and system functions would improve SAMS.	Agree	6/2007

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85	281	The Department of Human Services should establish fiscal controls to ensure that services paid for are provided and that program funds are spent appropriately by (a) requiring Area Agencies to reconcile the number of units provided and reported in the Social Asset Management System (SAMS) to the number of units in each agreement and attempt to recover funds if all services are not provided, (b) incorporating a review of service provider records and a reconciliation of those records to SAMS data into the Area Agencies' annual on-site evaluation of service providers, and (c) working with the Area Agencies to develop standardized practices for documenting and reporting services, and investigate recovery of Older Americans Act funds and state general funds paid for undocumented services, no-show services, or services that were not provided.	Agree	7/2005
86	283	The Department of Human Services and the Department of Health Care Policy and Financing should work with the United States Department of Health and Human Services (HHS) to clarify the program that is responsible for payment when participants are eligible for services under both the Older Americans Act and Medicaid programs.	Agree	7/2005
87	286	The Department of Human Services should reduce the costs of providing services to people who are ineligible by (a) training Area Agencies and service providers on correct assessment practices and methods for documenting participant eligibility, (b) reviewing participant eligibility during the Department's on-site assessments of Area Agencies and during the Area Agencies' on-site assessments of service providers, and (c) examining options for improving the objectivity of assessments and service authorizations by using independent case managers to authorize all services or reorganizing the program.	Agree	1/2007
88	289	The Department of Human Services should establish comprehensive monitoring of Area Agencies and service providers by using a risk-based schedule for conducting on-site reviews.	Agree	6/2005
89	297	The Departments of Public Safety and Local Affairs should improve controls over the administration of the Homeland Security Grant Program in order to ensure that the State is in compliance with federal requirements for the grant in the areas of allowable costs and activities, cash management, equipment management, reporting, and subrecipient monitoring.	Agree	6/30/2005

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
90	300	The Department of Transportation should identify all subrecipients and the amount paid to each subrecipient, and develop subrecipient monitoring policies and procedures to ensure that audit requirements are met, findings and questioned costs are followed up on in a timely manner, and all subrecipient monitoring activities are documented and problems identified are resolved.	Agree	9/30/2005
91	303	The Department of Transportation should ensure that construction projects are closed in a timely manner and that surplus funds are released for use on other projects by (a) implementing measures to expedite the submission of forms required for project closure by both contractors and region staff, and (b) establishing requirements and monitoring region practices to ensure they retain only the estimated final payment amount on projects and then release any surplus funds within six months of the date the project was accepted as complete by the Department.	Agree	12/31/2004
92	304	The Department of Transportation should improve management of the claims payment and settlement process by (a) improving its process for tracking the number, nature, total value, and final outcome of all claims that are filed with the Department; (b) holding region staff accountable for notifying the Division of Audit of all claims over \$250,000 as required by Department policy; and (c) ensuring region staff notify the Federal Highway Administration of all appropriate claims.	Agree	7/2005
93	308	The Department of Transportation should improve its management of indirect cost rates to ensure costs are reasonable.	Agree	4/2005
94	311	The Department of Transportation should adequately verify and substantiate indirect cost rates to ensure consultant fees are fair and reasonable by (a) developing requirements that consultants and subconsultants who perform work on consultant contracts over a certain dollar threshold submit a schedule of direct labor, fringe benefits, and general overhead that has been audited by an independent CPA firm; (b) developing and implementing an audit program to conduct quality assurance reviews of CPA firm audit reports and ensure that indirect cost rates are prepared in accordance with Department policy; and (c) developing and implementing an audit program to conduct, on a sample basis, actual indirect cost rate audits at regular intervals according to predetermined risk factors.	Agree	a. 12/2004 b. 12/2004 c. 6/2005

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
95	313	The Department of Transportation should ensure the selection of qualified consultants for contracts by tracking and monitoring consultant compliance with contract terms related to disadvantaged business enterprises, and include a review of consultants' progress toward meeting the disadvantaged business enterprise goals in the consultant performance evaluations.	Agree	7/2005
